

Appendix F

Topcoding

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To ensure the confidentiality of the data on the microdata files, all financial characteristics that are not calculated variables have been topcoded. The number of cases that need to be topcoded for each characteristic is equal to either $\frac{1}{2}$ of 1 percent of the total universe, or 3 percent of all reporting cases, whichever is less. In addition, age was topcoded to 90 years, stories in structure and floor of unit were topcoded at 21 floors, and units in structure was topcoded at 100 units.

For each characteristic, the value which meets one of the two criteria above was determined and became the topcode value. The mean value for all cases falling above the topcode value was calculated and was then assigned to each individual case. For example, approximately $\frac{1}{2}$ of 1 percent of the renter occupied units had a contract rent above \$5,700. The mean contract rent for these cases was calculated to be \$7,640. This rent was assigned to each case falling above the topcode.

For calculated variables such as contract rent per room, contract rent as a percent of income, gross rent per room, and gross rent as a percent of income, cases with values above the topcode amounts are included in the not computed category.

A list of the items topcoded, the topcode amount, and the mean value above the topcode that was assigned are shown on the following pages.

<u>Item</u>	<u>Topcode Value*</u>	<u>Mean Value Above Topcode</u>
Age	90 years	N/A
Asking Rent	\$4,600	\$8,790
Down Payment	\$570,000	\$1,067,099
Monthly Condominium or Maintenance Fees	\$3,000	N/A
Monthly Contract Rent	\$5,700	\$7,640
Monthly Cost of Electricity	\$400	\$895
Monthly Cost of Gas	\$650	\$1,131
Monthly Cost of Gas and Electricity Combined	\$570	\$809
Monthly Mortgage Payment	\$5,000	\$41,782
Number of Stories/Floor of Unit	21	N/A
Units in Structure	100	N/A
Person Income From:		
Wages, Salary, Commissions, etc.	\$375,000	\$849,880
Farm or Nonfarm Business, etc.	\$250,000	\$1,857,473
Interest, Dividends, Royalties, etc.	\$100,000	\$225,635
Social Security or Railroad Retirement	\$24,000	\$29,490
SSI, AFDC, Home Relief, or other Public Assistance Payments	\$15,000	\$19,899
Retirements, Survivor, or Disability Pensions	\$61,000	\$153,046

<u>Item</u>	<u>Topcode Value*</u>	<u>Mean Value Above Topcode</u>
VA Payments, Unemployment, Child Support, Alimony, or Other Income Sources	\$30,000	\$61,885
Purchase Price	\$1,400,000	\$2,404,106
Value	\$2,000,000	\$3,998,500
Year Built	2000	N/A
Yearly Cost of Other Fuels	\$8,000	\$10,757
Yearly Cost of Water and Sewer	\$2,280	\$3,601
2007 Fire and Liability Insurance	\$3,500	\$7,628
2007 Real Estate Taxes	\$9,000	N/A
Interest Rate	10.0%	11.8%

* Data represents values above which topcoding begins.